



IKEA Norfolk

*City Council Briefing
June 28, 2016*

Economic Momentum

Almost 6,000
jobs between
now and 2018



Glass-Art
Centric
Boutique Hotel

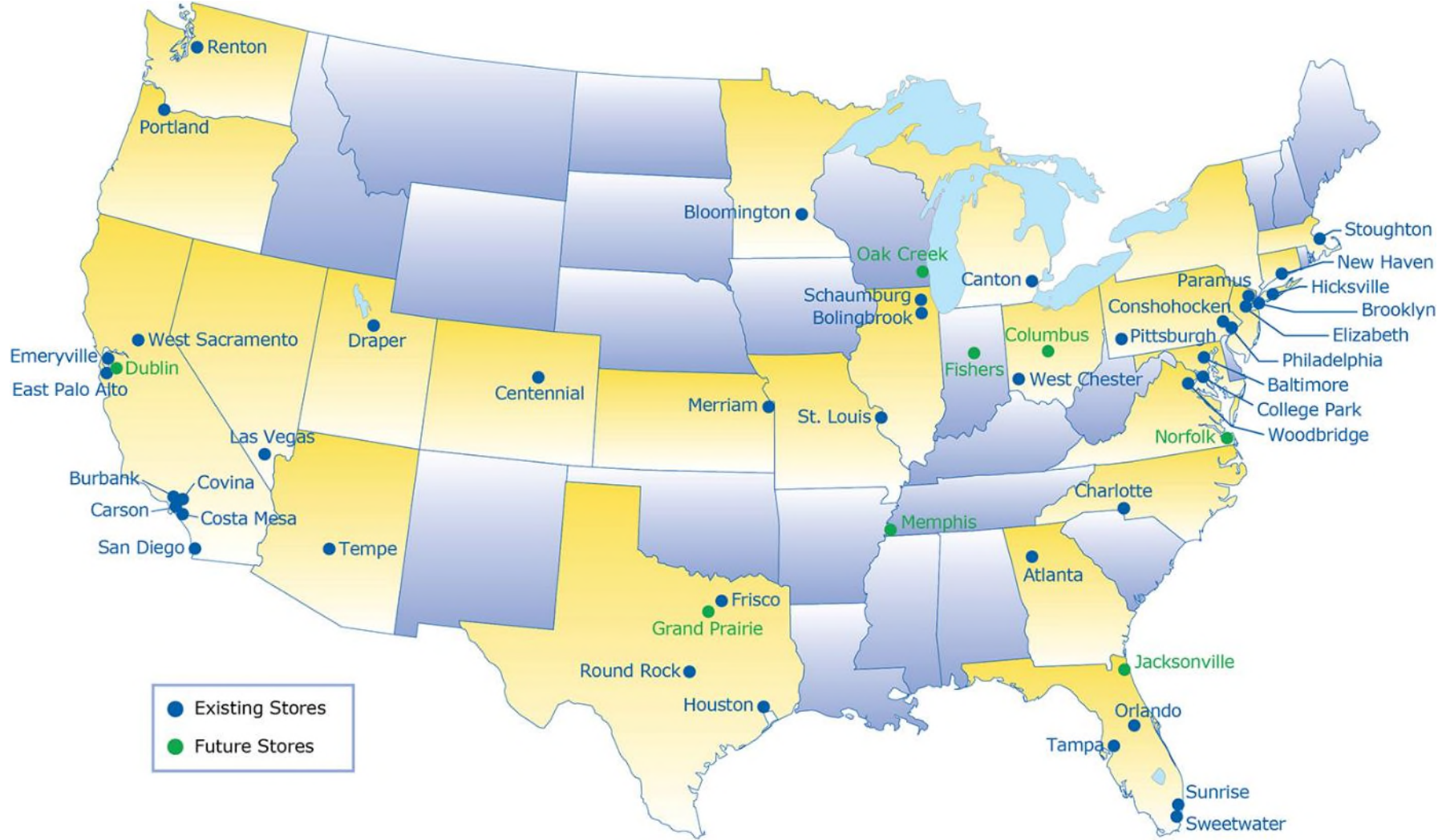
MOVEMENTMORTGAGE



- World's largest home furnishing retailer
- Global company that is very selective with areas of expansion
- There are currently more than 380 IKEA stores in 48 countries, including 42 in the U.S.
- IKEA has been ranked among "Best Companies to Work For" and has raised its own minimum wage twice in two years
- IKEA incorporates sustainability into day-to-day business and supports initiatives that benefit children and the environment



IKEA US Locations



IKEA Norfolk Proposal

- Approximately 331,000 sf building and 1,000 parking spaces
 - Possible LEED certified green building (Solar panels, etc.)
- Store will house nearly 10,000 exclusively designed items, 50 inspirational room-settings, three model home interiors, a supervised children's play area, and a 450-seat restaurant serving Swedish specialties
- Timeline
 - Fall/Winter 2016 – Closing on Sale of Property
 - Spring 2017 – Groundbreaking
 - Summer 2018 – Grand Opening



Strategic Location – Lake Wright East

- Approximately 18 developable acres
- Located next to Norfolk Premium Outlets
- Excellent location to serve entire region combined with proximity to the Airport and Downtown Norfolk
- Location will capture Virginia Beach and Outer Banks tourists
- Adjacent to Interstate-64 and US Route-13
- Signalized intersection provides direct interstate access
- Over \$9 million in interstate improvements from the Commonwealth



Site Access



LAKE WRIGHT EAST
NORFOLK, VIRGINIA

SITE ACCESS FROM I-64

Site Plan and Rendering



Norfolk Economic Impact

- Purchase price of \$6 million for 18.78 acres of land
 - City retains 25 foot buffer around the lake
- Adds city property back to the tax rolls
- Approximately \$75 million investment
- 250 permanent jobs
- 500 construction jobs
- Direct Revenue
 - \$2.5 million annually
 - \$25 million+ over the first ten years



Revenue Sharing Performance Agreement (RSPA)

- RSPA paid in arrears based on the new sales revenue generated from the project
- Grant is to offset infrastructure and storm water costs related to the project.
- Economic Development Authority enters into a 15 year RSPA at a maximum of \$5,000,000
- No City guaranty required



City Council Next Steps

- Consideration of a Land Disposition and Development Contract (LDDC) for the sale of the land
- Consideration of a Cooperation Agreement with the EDA for a RSPA